News Releases
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Newfoundland Labrador

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(Justice)

Telephone solicitations in fundraising campaigns

Some charities and non-profit organizations find it convenient to conduct their fundraising campaigns by telephone. John Downton, Director of Trade Practices with the Department of Justice, says fundraising by telemarketing is legal, but adds that in all telephone solicitations, consumers would be wise to make themselves fully aware of the terms of the solicitation before agreeing to contribute any money to fundraising efforts.

Said Downton: "Charitable and fraternal organizations are not required to be licensed if they are soliciting donations on their own behalf. These types of solicitations are typically carried out by local volunteers. However, professional fundraisers in the province who solicit donations on behalf of a charitable or fraternal organization, and receive a fee for doing so, must be licensed by the Department of Justice."

In order to ensure that the consumer is able to make an informed decision, the department requires fundraising firms to tell the consumer the name of the fundraising company and the person calling, as well as the name of their client and the amount of money being raised for that client.

Downton said: "There is no provincial regulation which sets out the proportion of the donation which must go to the charity, and the proportion which must go to the fundraising firm. The amount of money to be paid to the fundraising company will generally be established by the agreement in place between the client organization and the fundraising company." Downton said that people receiving fundraising solicitations should feel free to ask how their donations will be handled and used. He offers these tips for consumers.

- If you are asked to make a contribution to a charity or some other non-profit organization, ask how much of your contribution the charity will actually receive.
- Inquire whether an official tax receipt will be issued. Some registered charities issue tax receipts for income tax purposes. If not, be sure to ask if your entire donation will be receipted for tax purposes.
- Never give cash unless you get a receipt at that time. Especially never send cash in the mail. A cheque made out in the charity's name should ensure that your money goes where it is intended.
- Do not be pressured into donating more money than you wish to give. Some organizations will recommend donations of a specific value, but you are not obliged to agree to that amount. The organization should be willing to accept any donation which you are able to give.
- Some organizations will send you an information package and a form to complete if you agree to make a donation. However, if you change your mind, you are not under any obligation to make a donation simply because the information is sent to you.
- If you are not sure about the legitimacy of the caller, check with the organization on whose behalf the funds are being raised to find out if they have a fundraising campaign underway.
- If the caller tries to pressure you into making a donation which you do not wish to make or to donate a higher amount than you offer, you can be assertive about your position or have the right to hang up the phone. If you wish to make a complaint you may contact a consumer affairs officer with the Department of Justice. You should also contact the organization for

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which the campaign is being carried out.

Downton also has some advice for non-profit organizations who are approached by a firm proposing to conduct a fundraising campaign on their behalf. Those organizations should inquire about all details before getting involved in any business arrangements. He offers these tips.

- Ask the company to provide you with a copy of the telephone presentation which will be made by the fundraising firm on behalf of your organization.
- Require full documentation for the professional fundraising company of the expenses and expenditures involved in raising the funds; as well as a full accounting of all receipts and remittances to your organization and the firm with whom you have contracted.
- Put appropriate financial controls in place which will guarantee your interests are properly looked after.
- Remember that a fundraising company will be using the name of your charity or organization to solicit donations. It is important that you are represented in a manner which is acceptable to you and which reflects the integrity and reputation of your organization.

Contact: John Downton or Carol Furlong, (709) 729-2600 or (709) 729-4196.

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